GOVERNMENT OF INDIA
EXTERNAL AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:1268
ANSWERED ON:07.03.2007
RELAXATION OF PROPERTY TAX TO INDIAN EMBASSIES
Mehta Shri Bhubneshwar Prasad

Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) whether the Government has suffered the loss worth crores of rupees due to extension of relief on property tax being granted to the Embassies as reported in the `Dainik Jagran` dated January 29, 2007;

(b) if so, the details thereof and the reasons therefor;

(c) whether the Government has extended the said relief to those countries which are not providing any such tax relief to Indian Embassies in their countries;

(d) the names of such countries which are charging the tax from the Indian Embassies; and

(e) the policy of the Government regarding recovery of the Service tax and other taxes?

Answer

THE MINISTER OF EXTERNAL AFFAIRS (SHRI PRANAB MUKHERJEE)

(a) & (b) No. Under Article 23 of the Vienna Convention on Diplomatic Relations 1961, ` the sending State and the Head of Mission shall be exempt from all national, regional or municipal dues and taxes in respect of the premises of the Mission, whether owned or leased, other than such as represent payment for specific services rendered`. This applies not only to foreign Missions based in India but also to Indian Missions abroad.

(c) No.

(d) All countries have exempted Indian owned or leased Head of Mission Residences and Chancery premises from payment of land/property tax.

(e) Government policy is based on the provisions of the Vienna Convention on Diplomatic Relations, 1961.